



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

OCT 27 2000

MEMORANDUM FOR DISTRIBUTION

Subj: COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLAN TEST  
PROGRAM

Encl: (1) PDUSD(AT&L) memo dated Sep 12, 2000; Negotiation of  
Comprehensive Small Business Subcontracting Plans


Ref: (a) ABM memo dated Jul 16, 1997  
(b) DoN SADBUE memo dated Sep 18, 1998

Reference (a) identified program parameters and specifically designated the Department of the Navy (DoN) participants for this program, although any DoN Contracting Activity may participate. Reference (a) also encouraged you to use the capabilities of assigned field administration offices for negotiating and administering these plans.

Enclosure (1) advises that the program has been extended through September 30, 2005 and provides the Fiscal Year 2001 initiatives for contracting officers to discuss when negotiating comprehensive small business contracting plans.

Enclosure (1) outlines responsibilities of the Department's Director of Small and Disadvantaged Business Utilization, or his or her designee, related to comprehensive small business subcontracting plans. For DoN, reference (b) delegated these responsibilities to the Associate Directors of Small Business.

Please ensure that enclosure (1) is provided to contracting officers establishing comprehensive small business subcontracting plan negotiation teams.

  
M. E. Jaggard  
CAPT, SC, USN  
Executive Director (Acting)  
Acquisition and Business  
Management

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(See next page)

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SEP 12 2000



MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT  
AGENCY

SUBJECT: Negotiation of Comprehensive Small Business Subcontracting Plans

The Comprehensive Small Business Subcontracting Plan Test Program required by section 834 of Public Law 101-189, as amended, waives the requirement for negotiation, on a contract-by-contract basis, of subcontracting plans for contractors that have negotiated a comprehensive subcontracting plan under the test program. The purpose of the test program is to determine whether comprehensive small business subcontracting plans will result in increased subcontracting opportunities for small business while reducing the administrative burdens on contractors.

Section 817 of the National Defense Authorization Act for Fiscal Year (FY) 2000 extended the test program through September 30, 2005. The revised test plan was published in the Federal Register on February 15, 2000 (Volume 65, Number 31, pp 7509-7512).

A comprehensive small business subcontracting plan must be negotiated each fiscal year with contractors selected to participate in the test program. The FY01 initiatives to be discussed by contracting officers when negotiating with test program participants are attached. These initiatives incorporate the new Small Business Program goals: HUBZone small business firms and service-disabled veteran owned small business firms and place new emphasis on the responsibility of our large prime contractors to promptly address allegations of non-payment by small business subcontractors.

The Department or Agency Director of Small and Disadvantaged Business Utilization (or his or her designee) shall coordinate on comprehensive plans prior to acceptance by the contracting officer. Such Director or designee shall also play an active role in the administration of the plan, including participation in periodic performance reviews, and shall provide the contracting officer with information on the adequacy of the contractor's compliance with the obligations of the plan. The prime contractor's failure to comply with the plan can result in that firm's expulsion from the test program.

Dave Oliver

Attachment:  
As stated



Enclosure (1)

**FY2001 Initiatives**  
**DoD Comprehensive Small Business Subcontracting Plan Test Program**

- Soliciting at least one small disadvantaged business, one women-owned small business, one HUBZone small business, and one service-disabled veteran owned small business on every competitive solicitation for which such qualified firms can be identified.
- Consider advertising competitive solicitations on generally accessible electronic media such as the Small Business Administration's SUB-Net, particularly when qualified small business firms can not be identified in the foregoing targeted categories.
- Maintaining a home page dedicated to providing information including procurement opportunities, to potential small business sources, linking this home page to the OUSD(AT&L) OSADBU home page, [www.acq.osd.mil/sadbu](http://www.acq.osd.mil/sadbu), and providing the website address to Director, OSADBU, OUSD(AT&L).
- Pursuing at least one new subcontract award with an eligible Indian-owned entity in accordance with the Indian Incentive program provisions of FAR Subpart 26.1.
- Entering into at least one new Mentor-Protégé agreement with a protégé that is not part of the program at this time.
- Pursuing at least one minority institution or historically Black college or university to perform as a subcontractor.
- Increasing outreach to each of the targeted goaling areas in which the goal was not achieved in the previous year.
- Establishing a system for addressing complaints from small business subcontractors that invoices are not being paid promptly.